these, certain imposts have recently been lightened and it is hoped that our producers will now be able to trade on better terms. Pepper did not command as high prices as it did during the year 1101 ; but, nevertheless, the prices realised were well above the average. During the year 1101, our external trade rose by about Rs. 78 lakhs to Rs. 16 crores and the balance of trade was very much in our favour since 63 per cent. represented exports. There are indications that the external trade during the current year will show a further advance.

6. Finance.—Turning to public finance, the last year yielded in revenue and receipts nearly Rs. 2,22,00,000. This was Rs. 11 lakhs more than in the previous year. Expenditure, on the other hand, was about Rs. 1,99,00,000 or less than that of the previous year by something over Rs. 1 lakh. The net result was a general surplus for the year of over Rs. 23 lakhs, the best the State balance sheet has ever shown. The increase in revenue was well distributed among the various departments, the Land Revenue and the Excise Departments taking the lead. Until recently, realisations from the sale of Government lands were included in ordinary land revenue receipts. As a matter of fact, such receipts properly belong to capital and from this year forward are being classified as such and separately exhibited.

7. Assets and Liabilities.—The assets of the State at the close of the year came to about Rs. 2,52,60,000, something like Rs. 44 lakhs more than when the year opened. Against this must be set off as liabilities Rs. 1,49,23,000, the corresponding amount for 1100 being Rs. 1,23,00,000, showing a closing credit balance of Rs. 1,03,37,000. The growth of liabilities was due to larger deposits in savings banks. Our surplus investments were thus distributed:

in Government of India Securities ... Rs. 1,08,43,000 ;
and in fixed deposits with banks ... Rs. 28,50,000.

The interest from these sources increased by Rs. 2,60,000 and special care was devoted to the selection of investments. These investments yielded nearly six per cent. per annum. What is paid out on savings bank deposits is at the rate of four per cent. per annum. Our sinking funds amounting to Rs. 44,53,000 are also held in Government of India Securities.

8. Land Revenue.—The most important reform connected with the land revenue administration was the abolition of taxation in kind on *Kandukrishi paattam* lands. The hardships of the tenants resulting from the antiquated system of payment of tax in paddy have formed the subject of representation in this Assembly almost from its foundation. The control and management of these Crown lands has long and of set purpose been vested in the ordinary land revenue administration of the State ; and the rents collected are merged in general revenues. In reality, the change is one in mode of realisation. I am in hopes of being able to give effect to the change by the 1st Minam 1102. This reform, which happily synchronised with the birth of a Princess to Her Highness the Maharani Regent, was also accompanied by the commutation into money of the tax in kind on the *Sreepadam* lands.

9. Lands for Depressed Classes.—The total area of land registered in the names of members of depressed classes during the year 1101 was 523 acres against 394 acres in 1100. Of this, an extent of 330 acres was from the 16,012 acres earmarked in the various taluks for assignment to the depressed classes on concessional terms and 193 acres from outside that area. The total area assigned to these landless classes up to the end of the year was 2,995 acres. On the suggestion of the Land Revenue Commissioner, the Protector of Depressed Classes has been authorised to inspect, in conjunction with the Tahsildar of each taluk, lands earmarked for assignment on concessional terms to the depressed classes with a view to excluding from the list unsuitable lands and to substituting suitable lands if available. The Government have under consideration the question of enlarging the powers and functions of the Protector and increasing the scope and usefulness of his work. The need for a whole time Protector is also being looked into.

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